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RUEHIT/AMCONSUL ISTANBUL 2952
RUCNDT/USMISSION USUN NEW YORK 0939
RHMFIUU/CDR USCENTOM MACDILL AFB FL
RUEHVEN/USMISSION USOSCE 3244
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SUBJECT: TURKMENISTAN: PRESIDENT SHUFFLES GOVERNMENT PERSONNEL;
ANNOUNCES 2009 PRIORITIES

REF: A) 08 ASHGABAT 793; B) 08 ASHGABAT 1297

11. (U) Sensitive but Unclassified. Not for Internet Distribution.

12. (SBU) SUMMARY: On January 15, the government held an extended Cabinet of Ministers meeting at which President Berdimuhamedov announced a sweeping reshuffling of the Cabinet and other government posts. Especially hard hit were the health, finance and oil and gas sectors, as well as major state enterprises. Governors were across the board criticized for their failure to complete provincial projects, and some key officials who held on to their positions nonetheless received reprimands. The purpose of the meeting was to review the government's accomplishments during 2008 and set out the priorities for 2009, and the President delivered an address that made clear that despite some successes, much work remains. Some of the promoted officials have been post's interlocutors in the past, but whether this will facilitate our future cooperation with the Turkmen remains to be seen. END COMMENT.

CABINET MEETING REVIEWED ACCOMPLISHMENTS IN 2008

13. (SBU) On January 15, President Berdimuhamedov held an extended session of his Cabinet of Ministers at which issues of the further development of the country and the results of 2008 were reviewed. The session was held at the reconstructed building of the Academy of Sciences of Turkmenistan and gathered government members, leaders of public organizations, mass media and rectors of universities and institutes. Deputy Chairpersons of the Cabinet of Ministers, provincial governors, heads of Ministries and Agencies reported on 2008 work results in their respective areas of responsibility. Chairman of Supreme Control Chamber Tuwakmammed Japarov and Prosecutor General Chary Hojamuradov reported on serious shortcomings and violations in the activities of a number of ministries and agencies that had been revealed during their inspections.

NUMEROUS REPRIMANDS AND FIRINGS

14. (SBU) An extensive list of officials were either reprimanded or removed from office due to shortcomings in their work.

- Chairman of the State Statistics Committee Kakamyrat Mommadov was

gravely reprimanded for not ensuring timely commissioning of a new school construction of which was assigned to the Statistics Committee.

- Deputy Chairman of the Cabinet of Ministers for Economy Hojamyrat Geldimuradov was relieved from his position due to health reasons upon his own request.

- Deputy Chairman of the Cabinet of Ministers for Energy Tachberdi Tagiyev was gravely reprimanded for weak control over work in the oil and gas area, and was required to take immediate measures to correct his shortcomings.

- Hyakims (governors) of welayats (provinces) were seriously admonished and administrative penalties were imposed for not ensuring development of provincial towns and villages, development of social, transport and communication areas and uninterrupted work of agricultural conveyors. They were required to immediately take all necessary measures for correcting their shortcomings.

- Governor of Lebap Province Charyyarguly Odeberdiyev was relieved from his position for shortcomings in his work.

- Chairperson of "Turkmenhaly" (Turkmen Carpet) State Shareholders Corporation Minewer Belliyeva was relieved from her position due to health reasons upon her own request.

15. (SBU) As a result of Prosecutor General's and Supreme Auditing Chamber Chairman's reports, President Berdimuhamedov also relieved the following officials from their positions: Minister of Social Welfare Gurbandurdy Kakalyev, Chairman of "Turkmenbashy" State

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Commercial Bank Amanmurad Toylyev, Chairman of "Turkmennebit" (TurkmenOil) State Concern Garyagdy Tashliyev, Chairman of "Turkmengeologiya" (Turkmen Geology) State Corporation Sapargeldi Jumayev, Chairman of "Turkmenpagta" (Turkmen Cotton) State Concern Annamuhammet Muhadov, Director General of "Turkmen Atlary" (Turkmen Horse) State Union Annaguly Nurgeldiyev, Minister of Communication Resulberdi Hojagurbanov, Minister of Power Energy and Industry Gurbannur Annaveliyev, and Chairman of State Committee on Tourism and Sports Bashim Kerimov.

REPLACEMENTS WERE ALSO NAMED

16. (SBU) During the meeting, Berdimuhamedov announced successors to fill the vacancies. Key among them were Tuwakmammed Japarov, previously Chairman of Supreme Auditing Chamber, to the position of Deputy Chairman of the Cabinet of Ministers for Economy and Finance; Yarmukhammet Orazgulyev, appointed Minister of Power Energy and Industry; Gurbanmammed Elyasov, appointed Chairman of the State Committee for Tourism and Sports; Orazmurat Gurbannazarov, appointed Chairman of the Supreme Control Chamber; Hakmurad Annamuradov, appointed Chairman of Turkmen Cotton; Seyitmukhammed Gulmammedov, appointed Chairman of Turkmen Horse Association; Bekmurad Shamuradov, appointed Minister of Social Welfare; Owulyaguly Jumagulyev, appointed Minister of Communications; Yagshymurat Yayylov, appointed Governor of Lebap Province; Orazdurdy Hajymuradov, appointed Chairman of TurkmenOil; and Tore Yagshymuradov, appointed Chairman of Turkmen Geology.

17. (SBU) In other business, Berdimuhamedov announced that a set of documents aimed at regulating the further socio-economic development of the country in priority areas had been prepared. In particular, the President signed a decree on raising state purchase prices for wheat produced in Turkmenistan, and a decree on the construction of a number of facilities in various provinces of the country. To advance progress on Turkmenistan's United Nations initiative on energy pipeline security, Berdimuhamedov issued a decree to organize an international conference on this topic in Ashgabat on April 23-24.

PRESIDENT REVIEWS PROGRESS AND SETS NEW PRIORITIES

18. (SBU) At the conclusion of the session, President Berdimuhamedov delivered a keynote speech in which he outlined priorities of the

country's development in 2009. Characterizing results of the last year, Berdimuhamedov said that 2008 was "a year of fundamental reforms, large-scale socio-economic changes, and successes on the way to complete renewal of all aspects of life in the country and society." He named the adoption of the revised Constitution and the December parliamentary elections as "incontestable proof of Turkmenistan's commitment to principles of democracy, rule of law, unity and accord in society."

¶9. (SBU) Touching upon internal reforms, Berdimuhamedov listed the following achievements in 2008: Manat (currency) rate unification and its redenomination, agricultural reform, adoption of the concept of socio-economic development of Ashgabat and provinces for 2008-2012, Awaza tourism complex project, educational reform, construction programs, healthcare development, and state assistance for development of entrepreneurship.

FOREIGN POLICY SUCCESS LINKED TO ENERGY

¶10. (SBU) Among Turkmenistan's foreign policy successes, the President listed the adoption of the UN resolution on security of energy transit pipelines. According to Berdimuhamedov, "It is in the interest of the country and the world community to direct the colossal potential of Turkmenistan's resources for the benefit of the region and entire humanity. Our goal is to set in place a new, reliable and effective mechanism for international cooperation based on mutual interest, economic expedience, and sound competitiveness. In this way, Turkmenistan is building its energy policy, forming a diversified system to bring Turkmen energy resources to world markets."

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LACK OF MANAGEMENT SKILLS HOLDS BACK PROGRESS

¶11. (SBU) Assessing what the country had not been able to achieve during 2008, Berdimuhamedov noted that the gap between goals and their achievement was largely due to the insufficient level of management in the various areas, and sometimes to obvious misunderstandings of priorities. According to President, many officials and chiefs have not kept up with the times. They are not oriented towards the objective laws of the market economy and are not familiar with modern methods of production management, but rather allow bureaucracy to hold back their work. Among the priority tasks in 2009, the President named further strengthening of the democratic and legal basis of the state, the increase of country's economic strength, spiritual improvement of society, development of education, science and culture, and intensification of international cooperation, all aimed at a continual improvement of the life of the population.

SOME FRIENDS IN HIGH PLACES?

¶12. (SBU) COMMENT: The shake-up in the government included some officials who were well-known to post. The new Minister of Power Energy and Industry, Yarmukhammet Orazgulyev, has been one of the officials that USAID has dealt with in discussions about electricity sales to Afghanistan and possible participation in the second phase of the upcoming Regional Energy Markets Assistance project (REMAP). His promotion might be a fortunate thing for these initiatives.

¶13. (SBU) COMMENT CONTINUED: On the other hand, at the Ministry of Health and Medical Industry, both deputy ministers were relieved of their duties. The deputy minister responsible for the Sanitary Epidemiological Service (SES), Annamurad Orazov, was fired and replaced by the person who occupied this position during former President Niyazov's time (2001-2003), Leyla Shamuradova (Note: She was promoted after serving as the Head of Medical Services for the city of Ashgabat (GorZdrav) for the last several years). Shamuradova opposed sending Turkmen candidates to the USAID-funded CDC Field Epidemiology Training Program (FETP) training in Almaty. After ignoring our requests during the first two years, in response to the third year's attempt she said that FETP should be organized in Ashgabat SES instead of Almaty. Turkmenistan finally sent it's first ever candidate last fall. (Ref A). She also initially fired two gynecologists who participated in USAID's Community Connections

exchange tour in 2008 (who took vacation in order to participate), but later reinstated them. We envision possible difficulties working with her because she is an "old-school" type, who - in our past experience - embraced Niyazov's cautious approach toward international assistance.

¶14. (SBU) COMMENT CONTINUED: Post has seen newly-named Deputy Chairman for Economy and Finance Tuwakmammed Japarov steadily rise in his career, since we first knew him as Deputy Minister of Economy and Finance. Japarov reportedly had a hand in the dismissal of the former Minister of Economy and Development Gurbanmyrat Gurbanmyradov (Ref B), which, combined with his new promotion, suggests that he is a very skilled operator within the system. Regarding his deposed predecessor Geldimyradov, there is no doubt that the "for health reasons" resignation was a face-saving measure -- and we have seen this with other firings. When Japarov served as the Supreme Control Chamber (SCC) Chairman, he supported cooperation with USAID/BearingPoint that placed a Public Sector Audit and Accounting Advisor in the SCC for two months in fall 2008 to provide training for SCC staff on sessions on audit standards, financial audits, and performance audits, and prepared a capacity development plan for the SCC. During a 2008 meeting on money laundering with U.S. officials, post was impressed by the depth of Japarov's knowledge on a difficult subject. Incoming SCC Chairman Gurbannazarov was one of two deputy chairmen of the SCC. The other, Mushikov, was involved in and supportive of USAID/BearingPoint's work. Gurbannazarov was not closely involved, at least not visibly. END COMMENT.

MILES